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Agenda item 116
Review of the efficiency of the administrative and financial functioning of the United Nations

Draft resolution submitted by the Chairman following informal consultations

Procurement reform

The General Assembly,

Recalling its resolutions 52/214 B and 52/220 of 22 December 1997, 52/212 B of 31 March 1998, 52/252 of 8 September 1998, 53/204 and 53/208 B of 18 December 1998 and 54/14 of 29 October 1999,

Having considered the reports of the Secretary-General on procurement reform,[1] on measures taken to improve procurement activities in the field[2] and on procurement-related arbitration[3] and the related reports of the Advisory Committee on Administrative and Budgetary Questions,[4] as well as the report of the Office of Internal Oversight Services on the follow-up audit of the implementation of procurement reform,[5]

1. *Takes note* of the reports of the Secretary-General[6] and of the comments and observations contained in the reports of the Advisory Committee on Administrative and Budgetary Questions;[4]

2. *Welcomes* the progress achieved so far in addressing the concerns expressed in General Assembly resolution 54/14, and urges the Secretary-General to continue the full implementation of the resolution;

3. *Stresses* the need for the procurement process to be efficient, transparent and cost effective and to reflect fully the international character of the Organization;

[1] A/55/127.
[2] A/54/866.
[3] A/54/458.
[4] A/55/458 and A/55/829.
[5] A/55/746.
[6] A/55/127, A/54/866 and A/54/458.

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4. *Endorses* the observations of the Advisory Committee in paragraph 6 of its report concerning procurement reform,[7] and requests the Secretary-General to ensure proper accountability and training of all those involved in the procurement process at Headquarters and in the field;

5. *Stresses* the need for adequate training of all personnel involved in the procurement process at Headquarters and in the field;

6. *Takes note* of the experiences of the United Nations Educational, Scientific and Cultural Organization and the Office of the United Nations High Commissioner for Refugees referred to in the report of the Secretary-General on procurement reform,[1] and reaffirms the need for the Secretary-General to continue to explore ways to increase procurement opportunities for vendors from developing countries and countries with economies in transition;

7. *Reiterates* its request to the Secretary-General for the expeditious dissemination of information relating to procurement in developing countries and countries with economies in transition, and requests the Secretary-General to pursue his efforts to sensitize the business community and United Nations offices in the developing countries and countries with economies in transition to procurement opportunities with the United Nations;

8. *Requests* the Secretary-General to continue to encourage the use of procurement from developing countries within the region for the requirements of missions when this is more efficient and cost-effective;

9. *Welcomes* the initiative taken by the Procurement Division to make procurement officials directly accountable to substantive departments that they support;

10. *Requests* the Secretary-General to determine if similar tracking mechanisms could be introduced in other areas of the Secretariat;

11. *Looks forward* to the issuance of a revised version of the Procurement Manual before the end of 2001;

12. *Encourages* the Secretary-General to continue to improve annual procurement planning for all offices and departments and to make such plans publicly available, including to all permanent missions to the United Nations;

13. *Reaffirms its request* to the Secretary-General to develop a comprehensive system to measure the efficiency and cost-effectiveness of the procurement function, by taking into account the best practices of other organizations of the United Nations system, reaffirms the need for the completion of the exercise, and requests the Secretary-General to submit to the General Assembly the results when completed;

14. *Expresses its concern* about delays in payments to vendors, and requests the Secretary-General to ensure that terms of contracts are respected;

15. *Requests* the Secretary-General to continue to monitor the discussions of the World Trade Organization on rules of origin and to keep the General Assembly informed of the progress achieved;

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[7] A/55/458.

16. *Notes* that the detailed information requested in paragraph 20 of General Assembly resolution 54/14 was not included in the current report of the Secretary-General on procurement reform, and requests the Secretary-General to submit in future reports as an annex, detailed information on the awarding of contracts for procurement at Headquarters and in the field to all countries, to developing countries, least developed and African countries and countries with economies in transition;

17. *Also notes* the increase in delegation of authority to the field in procurement activities, as mentioned in paragraph 6 of the report of the Advisory Committee concerning procurement reform,[7] and requests the Secretary-General to ensure that there is capacity in field missions to perform the procurement functions properly as well as effective and efficient mechanisms at Headquarters for monitoring procurement in the field, including:

(a) Remedial measures taken to address problems identified with regard to the United Nations peacekeeping missions;

(b) Standardization of the corrective measures taken for existing and future peacekeeping operations;

(c) A description of how accountability was pursued in the cases of individuals found to have engaged in fraud, mismanagement or abuse and how accountability measures would be applied in the future;

18. *Requests* the Secretary-General to assess the workload and functions of all relevant units involved in the procurement process in order to guarantee that each is planning and performing with optimum efficiency and to ensure proper training for improving the skills of personnel involved in the procurement process;

19. *Reiterates* that the criteria for an exigency, as outlined in General Assembly decision 54/468 of 7 April 2000, must be met before making emergency procurements as an exigency provision, so that all procurements follow set procedures;

20. *Requests* the Secretary-General to submit to the General Assembly, through the Advisory Committee, proposals for revision of the Financial Regulations and Rules of the United Nations, which may facilitate the implementation of procurement reform;

21. *Requests* the Secretary-General, pursuant to recommendation 4 of the Office of Internal Oversight Services,[5] to ensure that the criteria contained in the Procurement Manual for the use of letters of assist are strictly adhered to, and, in this connection, requests that a report on the subject be submitted to the General Assembly;

22. *Reiterates* the need for executive heads of the funds and programmes of the United Nations to improve their procurement practices by simplifying the registration process for vendors who have already registered with another organization of the United Nations system, with a view to a more streamlined and transparent process, utilizing, among others, the Internet;

23. *Requests* the Secretary-General to submit to the General Assembly at its fifty-seventh session a report on all aspects of procurement reform at Headquarters and in the field, including improvements to the procurement process within the United Nations funds and programmes, as well as on the implementation of the present resolution.